

Managing Risks in Beef Production: Tools for On-Farm Finishing and Direct-to-Consumer Marketing

Hefley, J.¹ Lutes, J.² Kientzy, D.³ Whittaker, K.⁴ Meusch, E.⁵ Breshears, A.⁶ Hopkins, R.⁷

¹Agriculture Business Field Specialist, University of Missouri Extension, jhefley@missouri.edu, ²Agriculture Business Field Specialist, University of Missouri Extension, lutesjl@missouri.edu, ³ Research Analyst, University of Missouri Extension, dkientzy@missouri.edu, ⁴Extension Engagement Specialist, University of Missouri Extension, kyle.whittaker@missouri.edu, ⁵Livestock Field Specialist, University of Missouri Extension, meusche@missouri.edu, ⁶Agriculture Business Field Specialist, University of Missouri Extension, abreshears@missouri.edu, ⁷Agriculture Business Field Specialist, University of Missouri Extension, hopkinsrm@missouri.edu

Evaluating Direct-to-Consumer Marketing Opportunities for Local Beef in Missouri

Purpose: Provide necessary information for producers considering direct-to-consumer beef sales.

Summary: This resource aims to help Missouri beef producers explore opportunities in local beef markets. It covers essential topics such as pricing structures tailored to market demands, identifying suitable market channels, and key operational considerations for entering these markets.

Outcomes: By utilizing this resource, producers can better assess their market potential, make informed decisions, and develop successful direct-to-consumer sales strategies that optimize profitability and market reach.

5 Steps to Buying Meat Direct From the Farm

Purpose: Help consumers navigate buying meat directly from farmers.

Summary: This guide outlines essential steps for purchasing meat in bulk, such as understanding freezer space requirements, sourcing reputable local farmers, understanding processing, and managing costs.

Outcomes: By following these steps, consumers can make informed purchasing decisions. Additionally, producers can share this resource with customers.

On-Farm Beef Finishing Planning Budget

Purpose: Help producers evaluate the costs and profitability of retaining ownership from calving through finishing and ultimately selling live animals or beef.

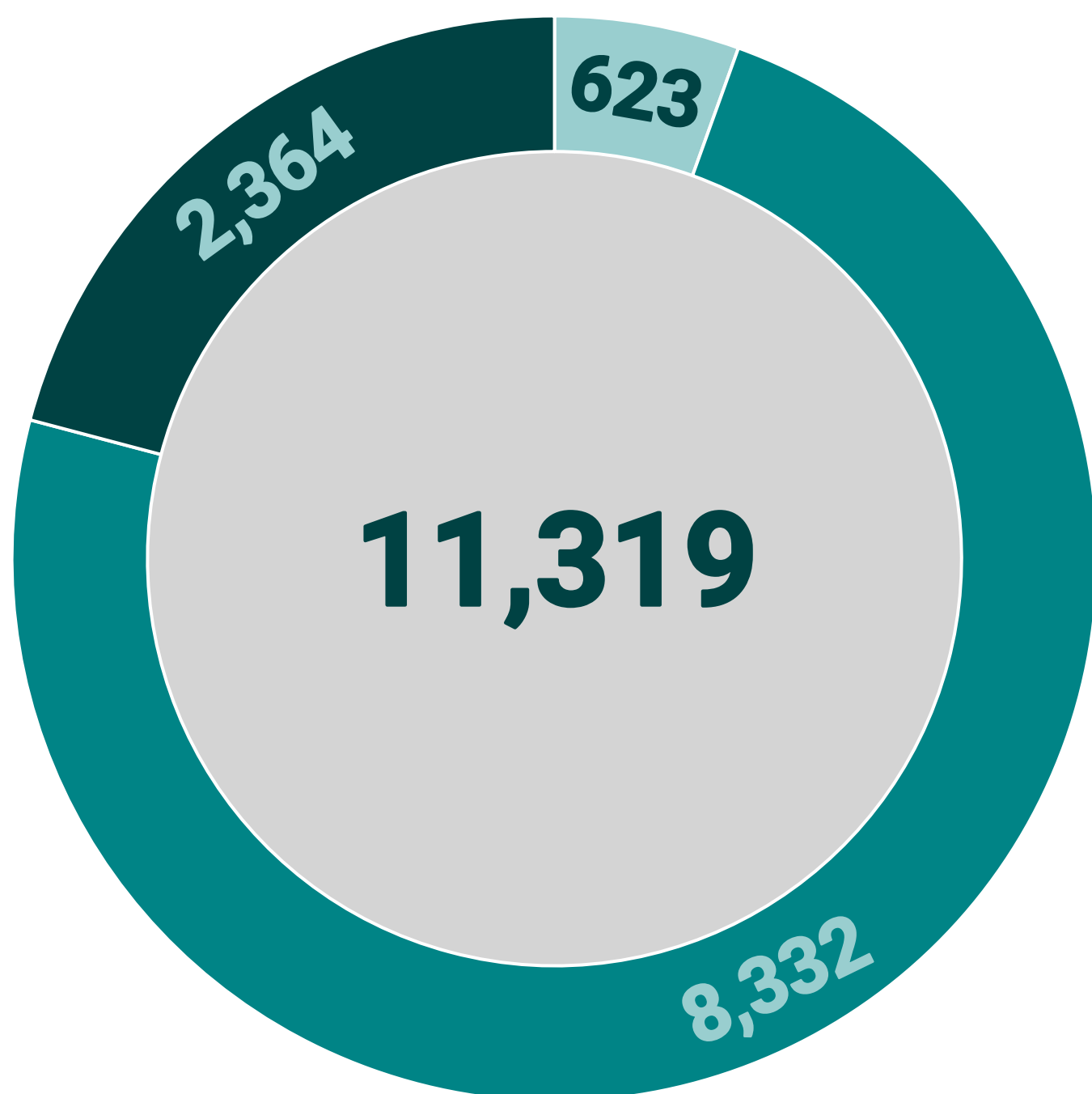
Summary: This guide provides a detailed budgeting tool for assessing costs associated with raising and finishing cattle from birth to slaughter. Producers can customize variables like feed, labor, marketing costs, and sales methods to evaluate different markets.

Outcomes: Help producers make informed financial decisions, manage costs, and optimize profitability.



Views/downloads

As of January, 2024



- Evaluating Direct-to-Consumer Marketing Opportunities
- 5 Steps to Buying Meat Direct From the Farm
- On-Farm Beef Finishing Planning Budget

Missouri Beef On-Farm Finishing			
Income		Per Animal Sold	Per live pound
Slaughter cattle sales		2,580.60	
Culled breeding animals		213.88	
Total income		2,794.48	2.02
Operating costs			
Feed			
Cow/calf		678.53	0.49
Backgrounding		90.07	0.07
Finishing		413.97	0.30
Labor		250.00	0.18
Veterinary, drugs, and supplies		57.01	0.04
Machinery		303.70	0.22
Utilities		18.18	0.01
Livestock facility repairs		16.22	0.01
Cow replacement		453.49	0.33
Marketing		69.86	0.05
Bull replacement		27.91	0.02
Professional fees (legal, accounting, etc.)		3.16	0.00
Miscellaneous		11.00	0.01
Operating interest		132.11	0.10
Total operating costs		2,525.20	1.83
Ownership costs			
Depreciation on facilities and equipment		14.52	0.01
Interest on breeding stock		212.35	0.15
Interest on facilities and equipment		16.56	0.01
Insurance and taxes on breeding stock & capital items		57.79	0.04
Total ownership costs		301.22	0.22
TOTAL COSTS		2,826.42	2.05
INCOME OVER OPERATING COSTS		269.27	0.20
INCOME OVER TOTAL COSTS		(31.95)	-0.02

Missouri Freezer Beef			
Method of sale	Retail cuts	See retail cuts sheets before continuing	
Carcass weight		808	
Approx. weight of beef sold		507.1	
Income		Per animal sold	Per live pound
Beef sales		4,864.40	
Culled breeding animals		213.88	
Total income		5,078.28	3.68
Operating costs			
Production of finished beef		2,323.23	1.68
Less processing costs		806.91	0.58
Marketing		878.00	0.64
Beef storage		45.00	0.03
Custom packaging		75.00	0.05
Miscellaneous		11.00	0.01
Operating interest		228.50	0.17
Total operating costs		4,367.64	3.16
Ownership costs			
Depreciation on facilities and equipment		64.52	0.05
Interest on breeding stock		155.06	0.11
Interest on facilities and equipment		76.98	0.06
Insurance and taxes on breeding stock & capital items		58.92	0.04
Total ownership costs		355.48	0.26
TOTAL COSTS		4,723.11	3.42
INCOME OVER OPERATING COSTS		710.64	0.51
INCOME OVER TOTAL COSTS		355.16	0.26
BREAKEVEN COST PER LIVE POUND		5.84	

